

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7727

BILL NUMBER: HB 1718

NOTE PREPARED: Jan 14, 2007

BILL AMENDED:

SUBJECT: Freezing Credit Reports.

FIRST AUTHOR: Rep. Bardon

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that a consumer may prevent access to the consumer's credit report by requesting that the consumer reporting agency place a security freeze on the consumer's credit report. The bill imposes other requirements and restrictions. The bill provides that a person who: (1) violates the security freeze laws is liable to a consumer; (2) obtains a consumer report from a consumer reporting agency, requests the placement of a security freeze, or requests a security freeze to be temporarily lifted or removed under false pretenses or in an attempt to violate federal or state law is liable to the consumer reporting agency; and (3) is negligent in failing to comply with the security freeze laws is liable to the consumer.

Effective Date: July 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues: The bill would allow a new cause for civil action. If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund when the case is filed in a court of record. Any additional revenue is likely to be minimal.

Explanation of Local Expenditures:

Explanation of Local Revenues: Circuit and superior courts could see an increased number of suits filed as a result of the bill. The county general fund would receive 27% of the \$100 filing fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its

ordinance violations in a court of record may receive 3% of court fees. Any additional revenue is likely to be minimal.

State Agencies Affected:

Local Agencies Affected: Circuit and Superior Courts.

Information Sources:

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